

The purpose of this schedule is to provide a reconciliation of the differences in the Income Statement in the SEC Annual Report and the FERC Form 1 Equivalent for Duke Power for regulatory purposes.

Year Ended December 31, 2005

In Millions	Duke Power	Form 1	Difference	Items to add/(deduct) from Form 1 to tie to adjusted 10-K		
Total Operating Revenues	5,384	5,357	27	15	Account: 0417610	Revenues Mox fuel under Total Other Income Net per Form1
				7	Account: 0417310	Revenues Unregulated Products & Services under Total Other Income Net per Form1
				4	Account: 0411801	Gains Disposition Allowances under Operating Expenses per Form1
				1	Miscellaneous Other Operating Revenues	
				27		
Total Operating Expenses	4,129	4,364	(235)	68	Account: 0426570	Mgmt & Royalty Fee under Total Other Income Net per Form1
				17	Account: 0417620	Mox fuel expense under Total Other Income Net per Form1
				46	Account: 0426100	Donations under Total Other Income Net per Form1
				9	Account: 0417320	Expenses Unregulated Products & Services under Total Other Income Net per Form1
				2	Account: 0426510	Other under Total Other Income Net per Form1
				2	Account: 0418200	NonUtility Depreciation Expense under Total Other Income Net per Form1
				4	Account: 0426400	Civic and Political Activity under Total Other Income Net per Form1
				4	Account: 0411801	Gains Disposition Allowances (10-K under Operating Revenues)
				(415)	Per Form 1	Federal Income Tax (10-K under Taxes)
				(68)	Per Form 1	State Income Tax (10-K under Taxes)
				85	Per Form 1	Net Deferred Income Tax (10-K under Taxes)
				10	Per Form 1	ITC (10-K under Taxes)
				1	Miscellaneous Other Operating Expenses	
				(235)		
Gain/(Loss) on sale of assets	7	-	7	7	Account: 0421100	Gain on disposal of property under Total Other Income Net per Form1
Total Operating Income	1,262	993	269			
Earnings of subsidiaries	1,162	1,162	-	-		
Other Income and Expenses	15	(41)	56	(15)	Account: 0417610	Revenues Mox fuel (10-K Operating Revenue)
Total Other Net	1,177	1,121	56	(7)	Account: 0417310	Revenues Unregulated Products & Services (10-K Operating Revenue)
				68	Account: 0426570	Mgmt & Royalty Fee (10-K Operating Expenses)
				17	Account: 0417620	Mox fuel expense (10-K Operating Expenses)
				46	Account: 0426100	Donations (10-K Operating Expenses)
				9	Account: 0417320	Expenses Unregulated Products & Services (10-K Operating Expenses)
				2	Account: 0426510	Other (10-K Operating Expenses)
				2	Account: 0418200	NonUtility Depreciation Expense (10-K Operating Expenses)
				(7)	Account: 0421100	Gain on disposal of property (10-K Gain on sale of assets)
				4	Account: 0426400	Civic and Political Activity (10-K under Operating Expenses)
				(55)	Per Form 1	Income Taxes Non Utility (10-K Income Taxes)
				(9)	Per Form 1	Deferred Income Taxes NonUtility (10-K Income Taxes)
				1	Miscellaneous Other Net	
				56		
Interest Expense	290	290	-			
Minority Interest	-	-	-			
Income Taxes	325	-	325	415	Per Form 1	Federal Income Tax under Operating Expenses per Form1
				68	Per Form 1	State Income Tax under Operating Expenses per Form1
				(85)	Per Form 1	Net Deferred Income Tax under Operating Expenses per Form1
				(10)	Per Form 1	ITC under Operating Expenses per Form1
				(55)	Per Form 1	Income Taxes Non Utility under Other Net per Form 1
				(9)	Per Form 1	Deferred Income Taxes NonUtility under Other Net per Form 1
				1	Miscellaneous Other taxes	
				325		
Discontinued Operations	-	-	-			
Cumm change in acctg princ.	-	-	-			
Net Income	1,824	1,824	-			

The purpose of this schedule is to provide a reconciliation of the differences in the Balance Sheet in the FERC Form 1 Equivalent for Duke Power and the NCUC E.S.-1 Schedule 5 for regulatory purposes.

As of December 31, 2005 In Millions	Form 1	NCUC	Difference	Items to add to (deduct from) Form 1 to tie to NCUC E.S.-1 Schedule 5
Current Assets	1,623	911	(712)	(431) Reported as Materials & Supplies on E.S.-1 (188) Prepaid Pension asset reported as Operating Reserves on E.S.-1 (93) Debit balance taxes accrued reported as Other Liabilities on E.S.-1 <u>(712)</u>
Investments and Other Assets	13,982	7,683	(6,299)	(133) Remove NP&L (715) Remove OCI (8,447) Remove DEFS/DEGT 2,996 Reflect 20-year amortization of DENA one-time impairments <u>(6,299)</u>
Property Plant and Equipment	12,266	12,636	370	(61) Reclass of 0108110 & 0108150 asset retirement obligation for asbestos not reported on E.S.-1 431 Materials & Supplies reported as Current Assets on Form 1 <u>370</u>
Regulatory Assets & Deferred Debits	4,140	2,331	(1,809)	(1) Credit balance deferred debit for Energy Bank reported as Deferred Debits on E.S.-1 (1,653) Account 190 ADIT netted against Accounts 282 and 283 ADIT as ADIT on E.S.-1 (155) Account 0254100 Regulatory Liability-Inc Tax reported as Deferred Credits on E.S.-1 <u>(1,809)</u>
Total Assets	32,011	23,561	(8,450)	
Current Liabilities	1,133	1	(1,132)	(1,133) Accounts 231-245 reported as Other Liabilities on E.S.-1 1 Long-Term Debt reported as Short-term Obligations on E.S.-1 <u>(1,132)</u>
Long Term Debt	5,721	5,721	-	
Deferred Credits and Other	8,718	7,700	(1,018)	(188) Prepaid Pension asset reported as Operating Reserves on E.S.-1 (1) Credit balance deferred debit for Energy Bank reported as Deferred Debits on E.S.-1 (1,653) Account 190 ADIT netted against Accounts 282 and 283 ADIT as ADIT on E.S.-1 1,133 Accounts 231-245 reported as Other Liabilities on E.S.-1 (93) Debit balance taxes accrued reported as Other Liabilities on E.S.-1 (1) Long-Term Debt reported as Short-term Obligations on E.S.-1 (154) Account 0254100 Regulatory Liability-Inc Tax reported as Deferred Credits on E.S.-1 (61) Reclass of 0108110 & 0108150 asset retirement obligation for asbestos not reported on E.S.-1 <u>(1,018)</u>
Total Liabilities	15,572	13,422	(2,150)	
Minority Interest	-	-	-	
Preferred Stock	-	-	-	
Total Equity	16,439	10,139	(6,300)	(133) Remove NP&L (715) Remove OCI (8,448) Remove DEFS/DEGT 2,996 Reflect 20-year amortization of DENA one-time impairments <u>(6,300)</u>
Total Liabilities & Equity	32,011	23,561	(8,450)	